

Utah Economic Update

April 2008

Prepared for:

Utah Legislature
Revenue and Taxation Interim Committee

April 16, 2008

Presentation Outline

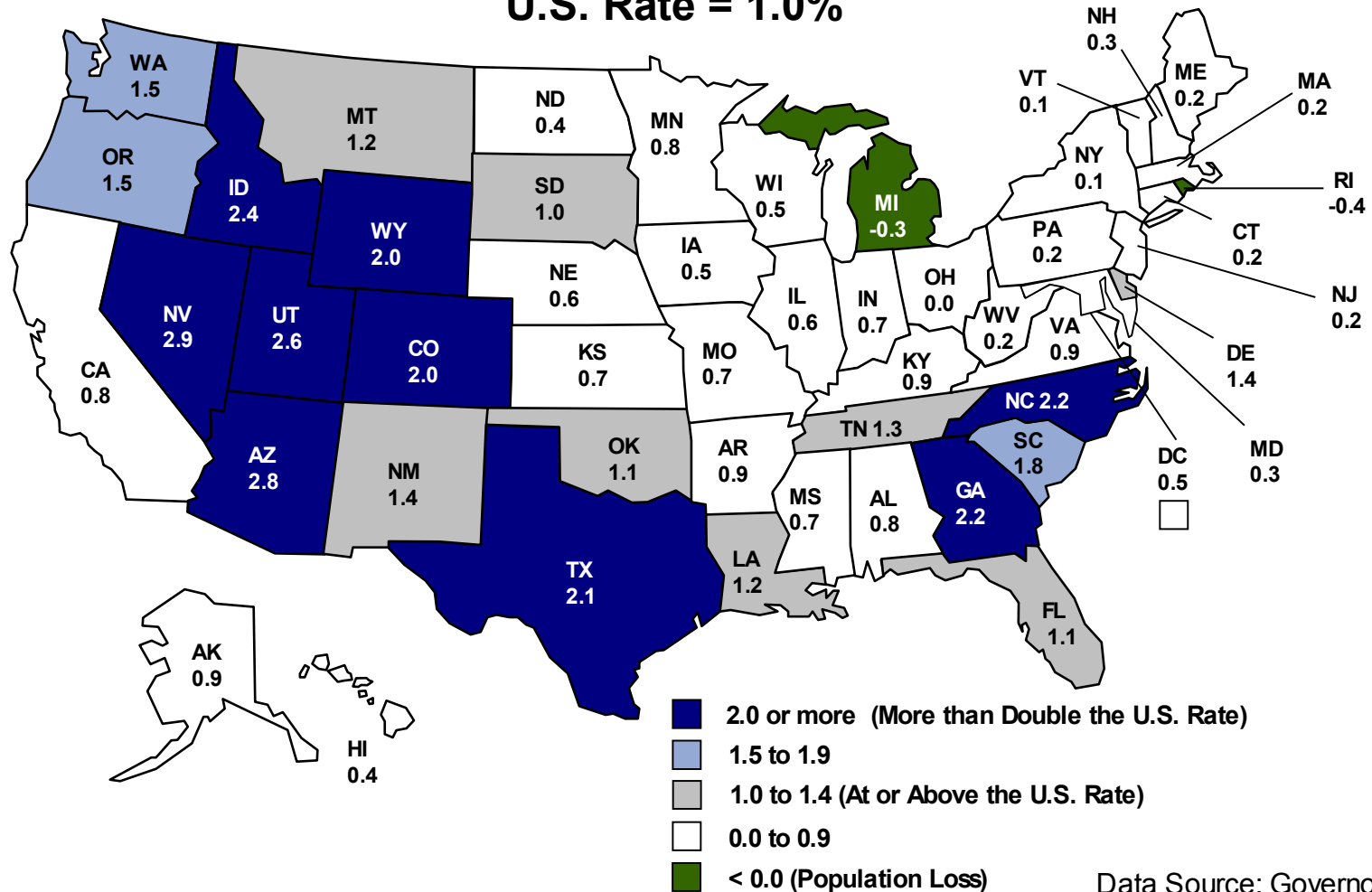
- Population - Phil
- Employment - Bryant
- Personal Income - Bryant
- Housing - Phil
- Construction Permits - Bryant
- GDP - Bryant
- Revenues - Phil

Presentation Outline

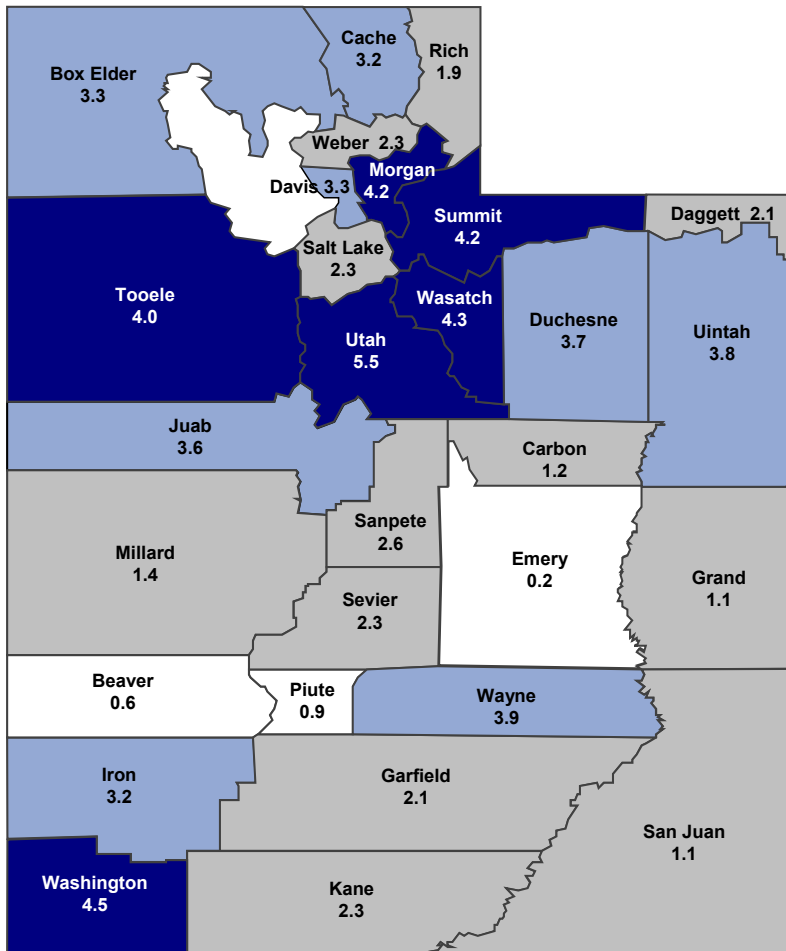
- **Population**
- Employment
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Utah is in the Center of the Fastest Growing Region in the Country

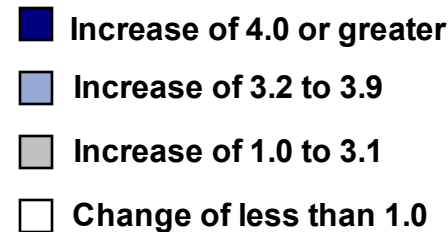
Percent Change in Population for States: 2006 to 2007
U.S. Rate = 1.0%



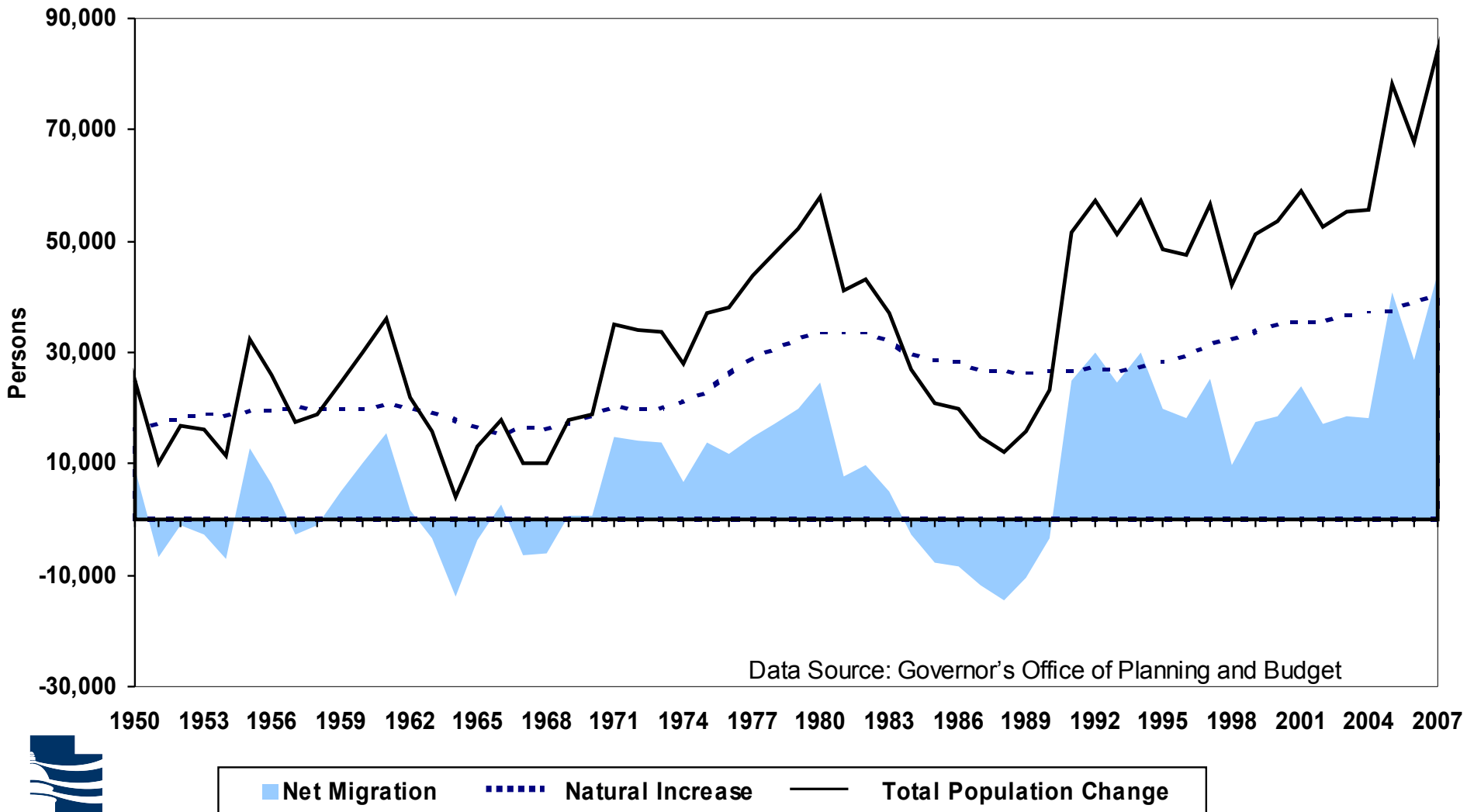
Utah Population Growth by County



- 2.7 million total population (2007)
- 3.2% statewide population growth rate

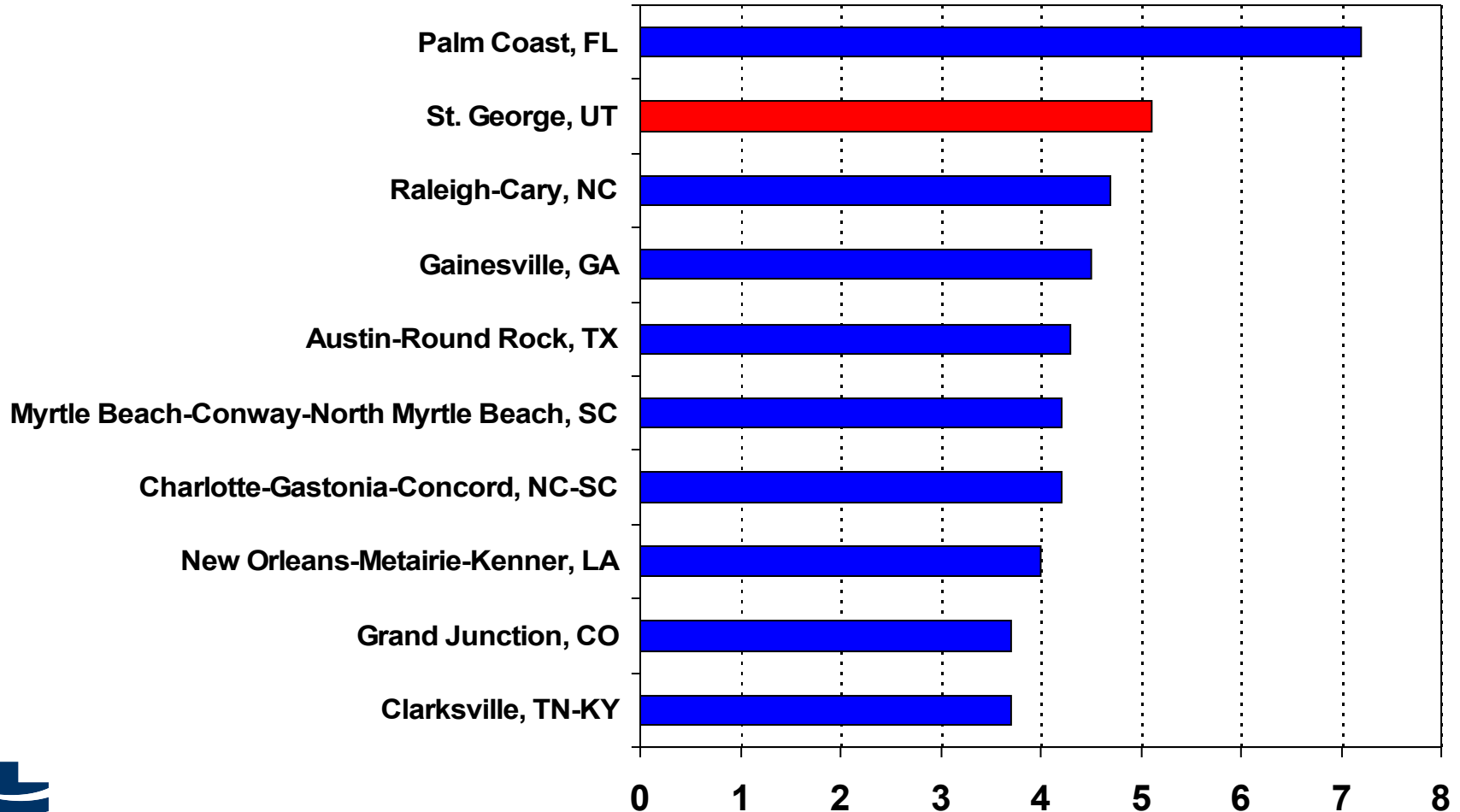


Components of Utah Population Change



Ten Fastest Growing Metropolitan Areas

July 2006 to July 2007

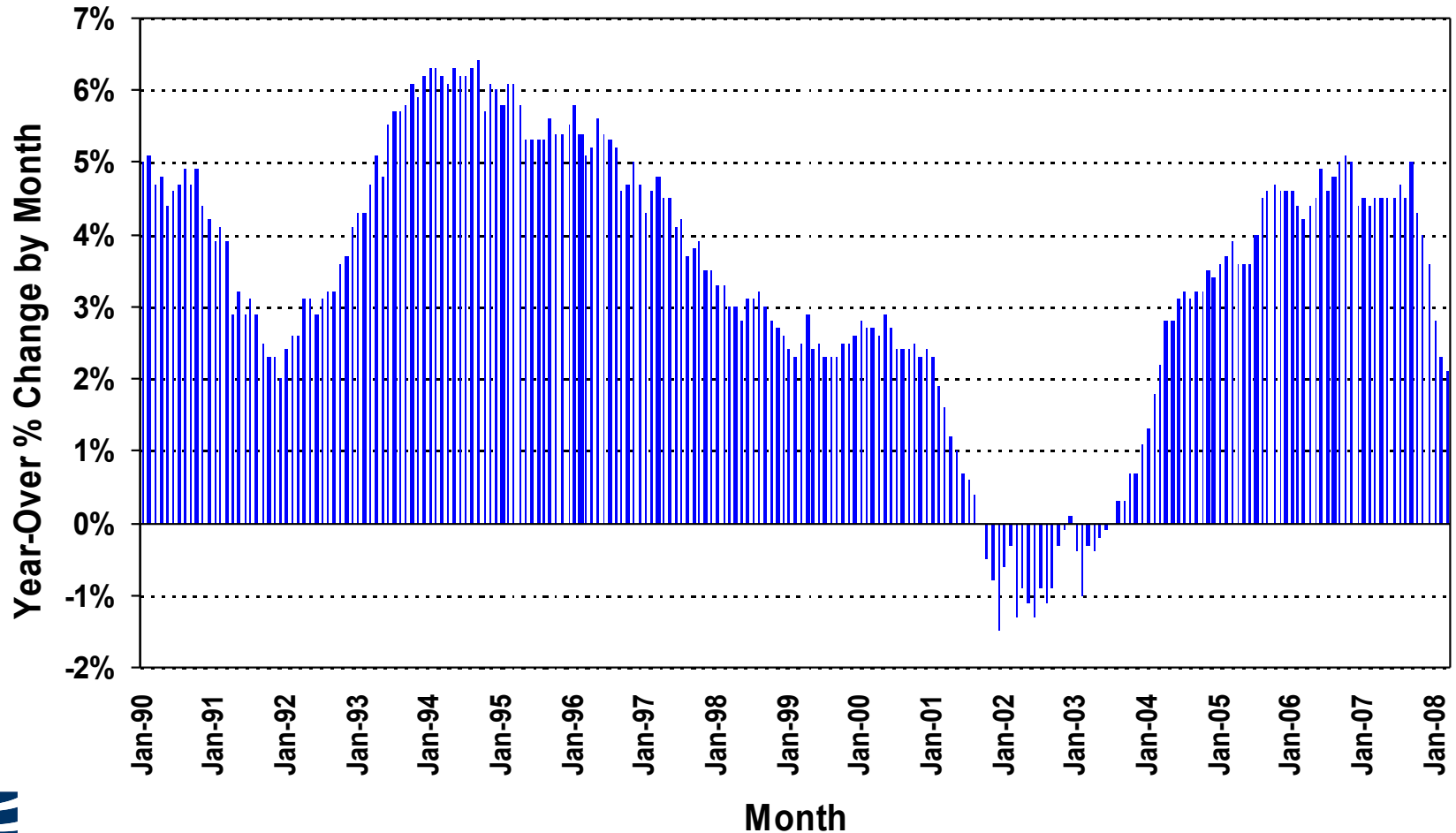


Presentation Outline

- Population
- **Employment**
- Personal Income
- Housing
- Construction Permits
- GDP
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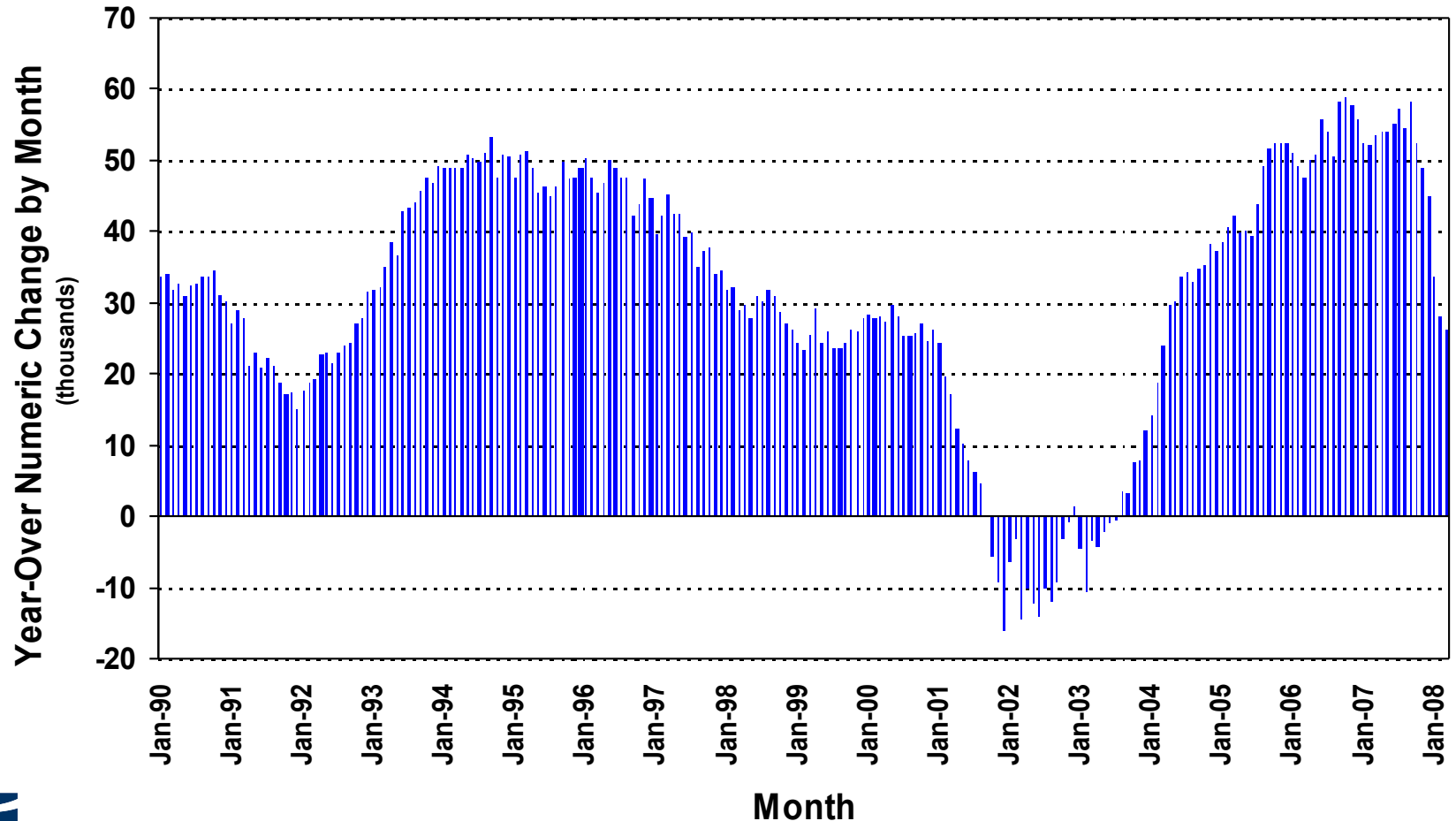
Utah Employment Growth Rate

January 1990 to March 2008



Utah Employment Change

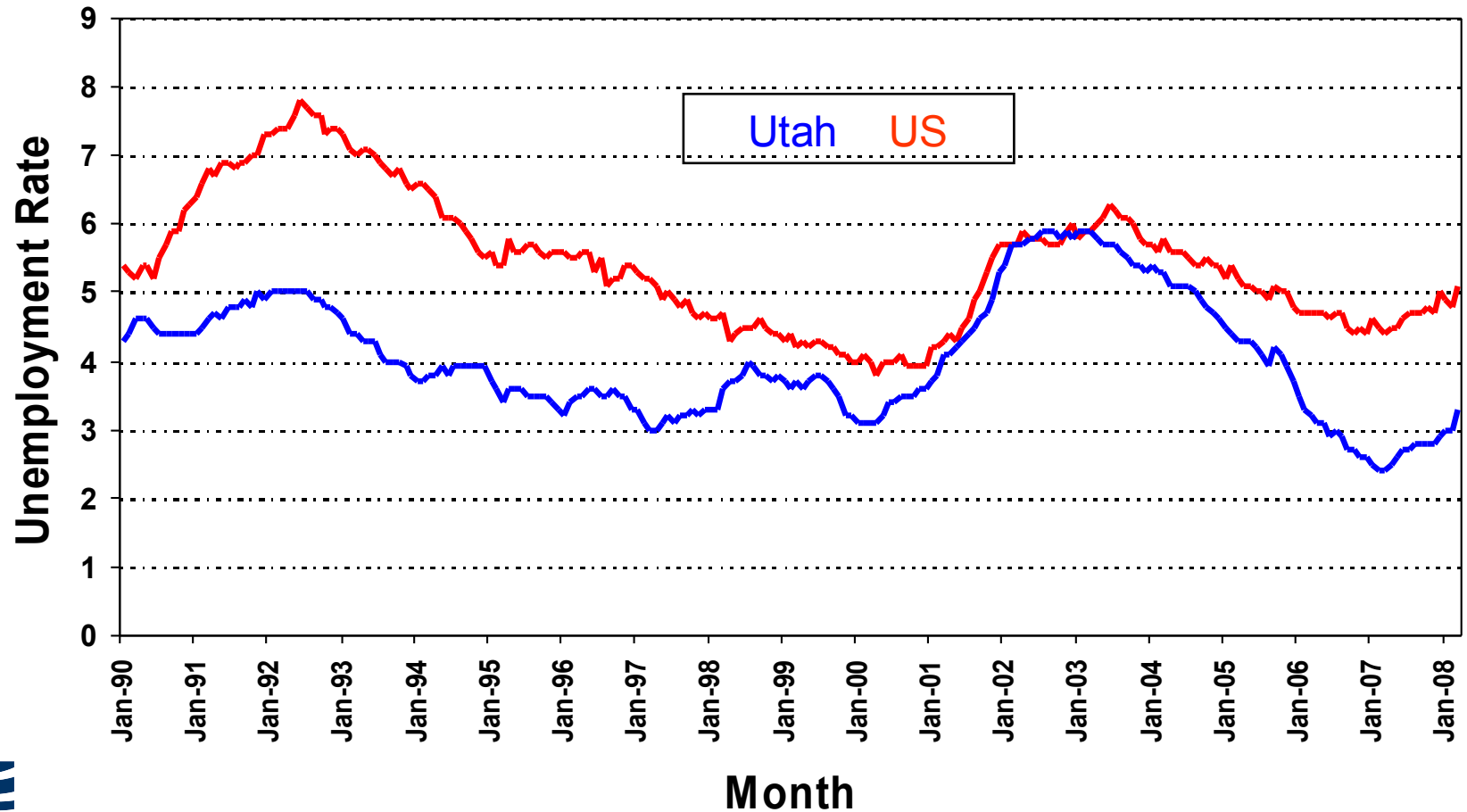
January 1990 to March 2008



Unemployment Rate

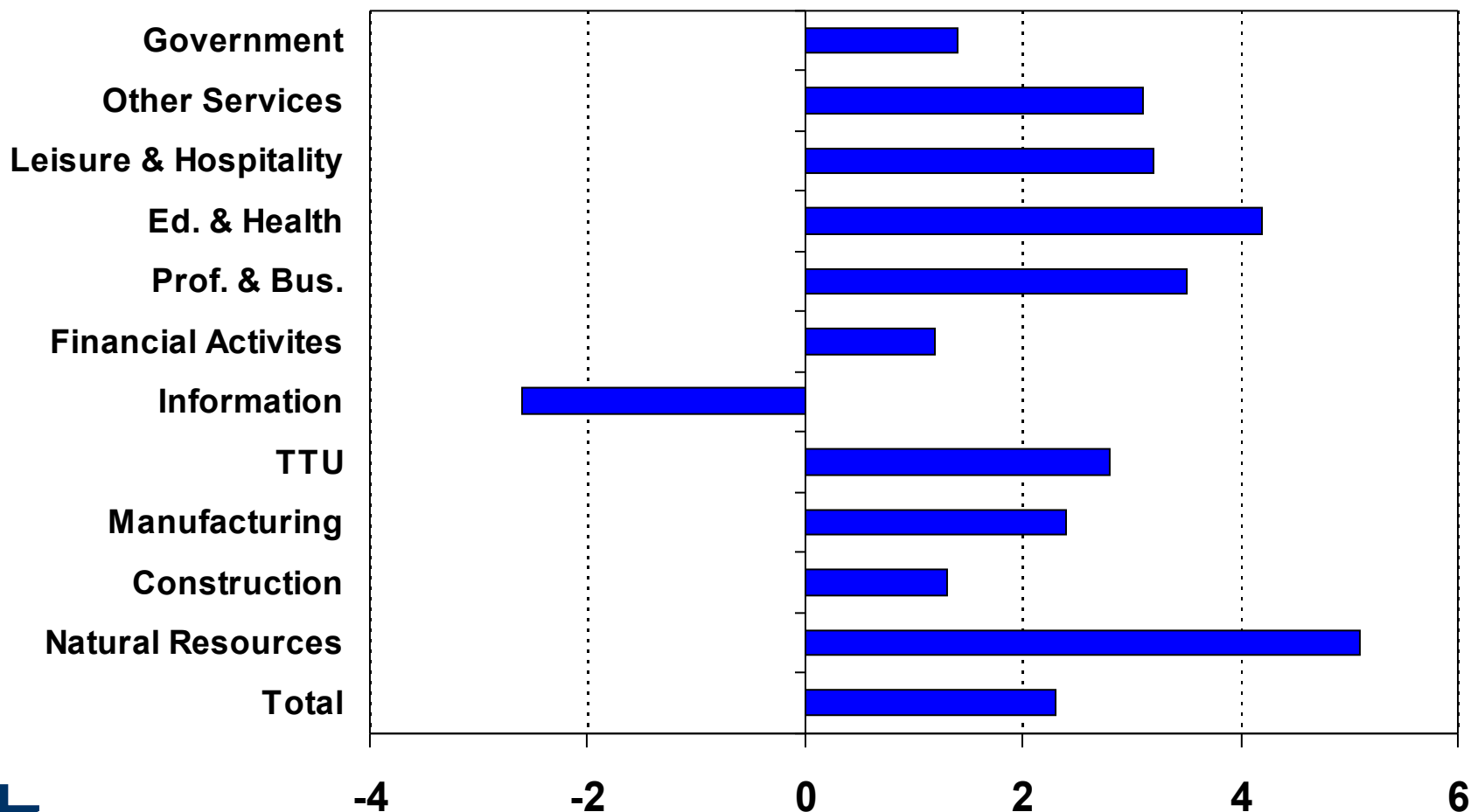
Utah and the US

January 1990 to March 2008



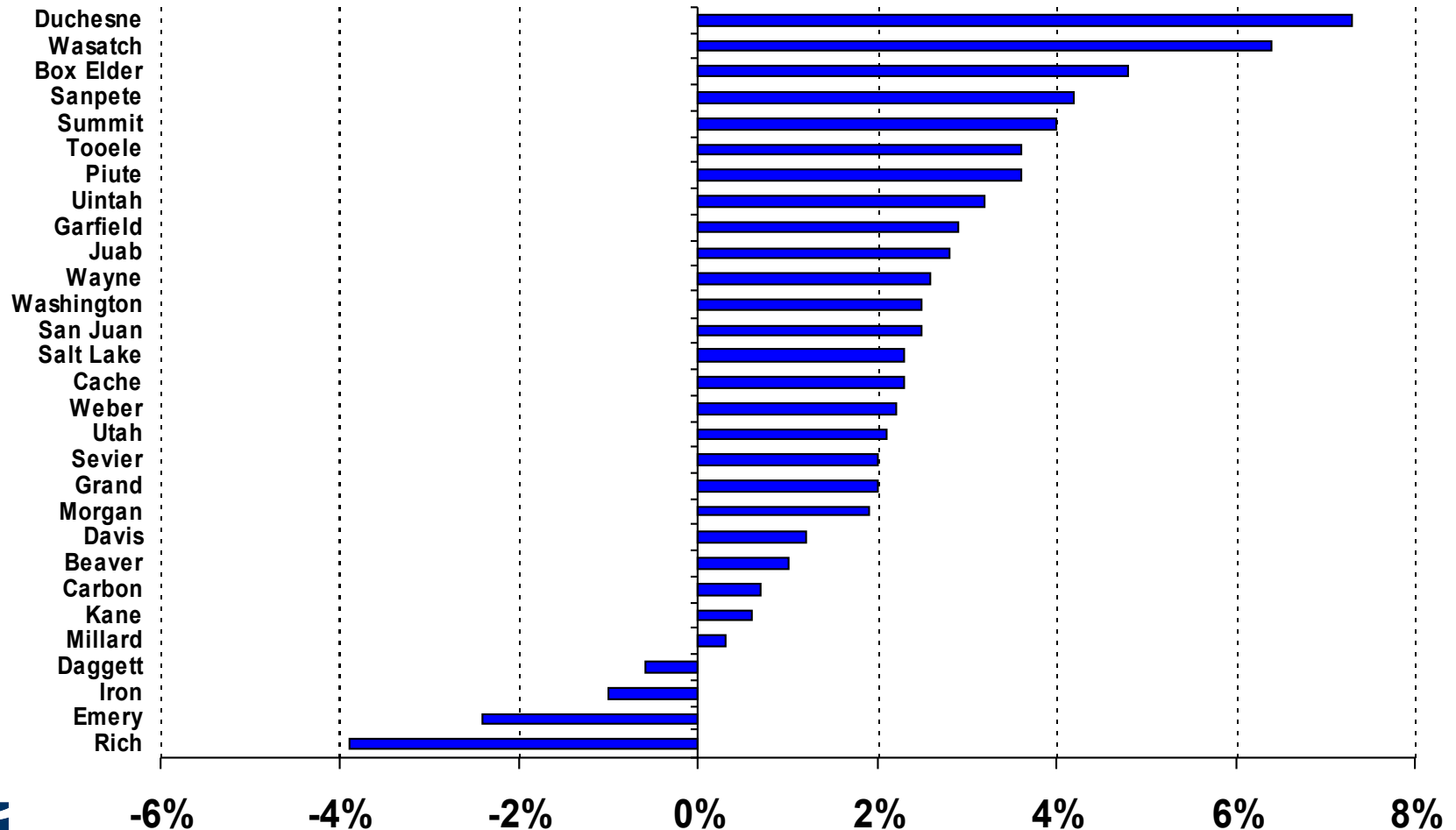
Utah Employment Growth Rate by Industry

February 2007 – February 2008



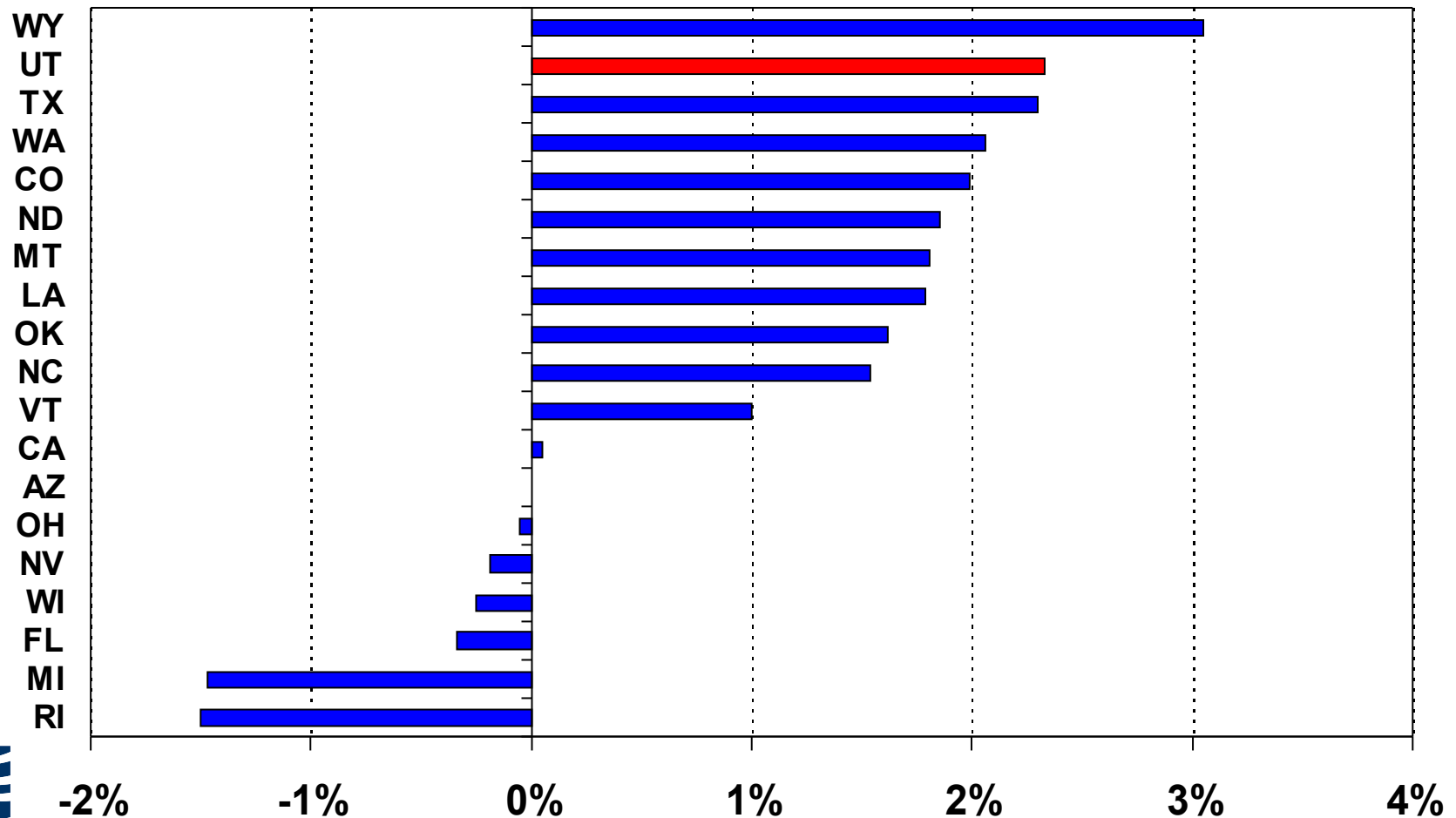
Utah Nonfarm Job Growth by County

Percent Change February 2008 - 2007



Year Over Change in Employment Ten Lowest and Highest States:

February 2007 - 2008

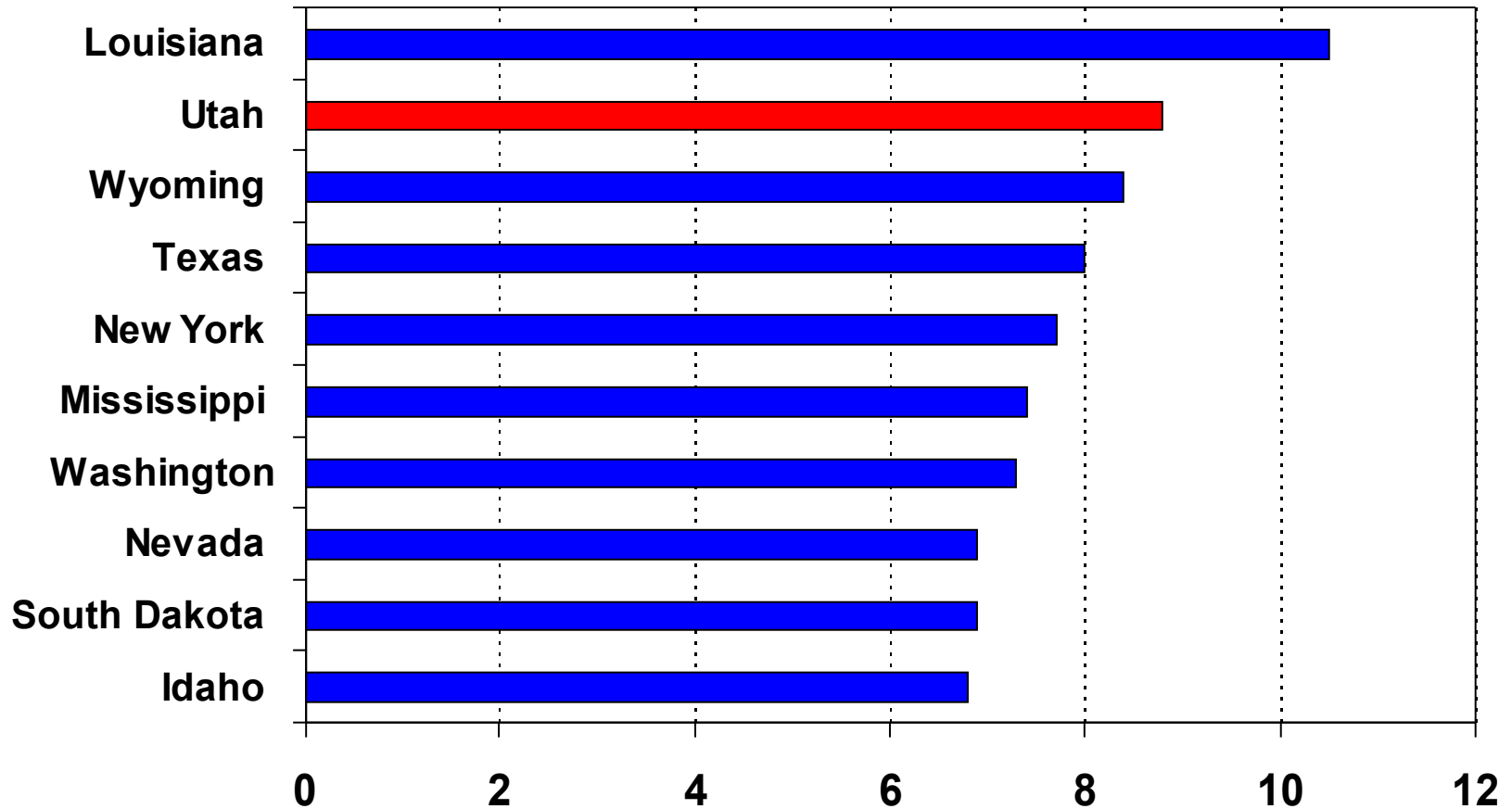


Presentation Outline

- Population
- Employment
- **Personal Income**
- Housing
- Construction Permits
- GDP
- Revenues

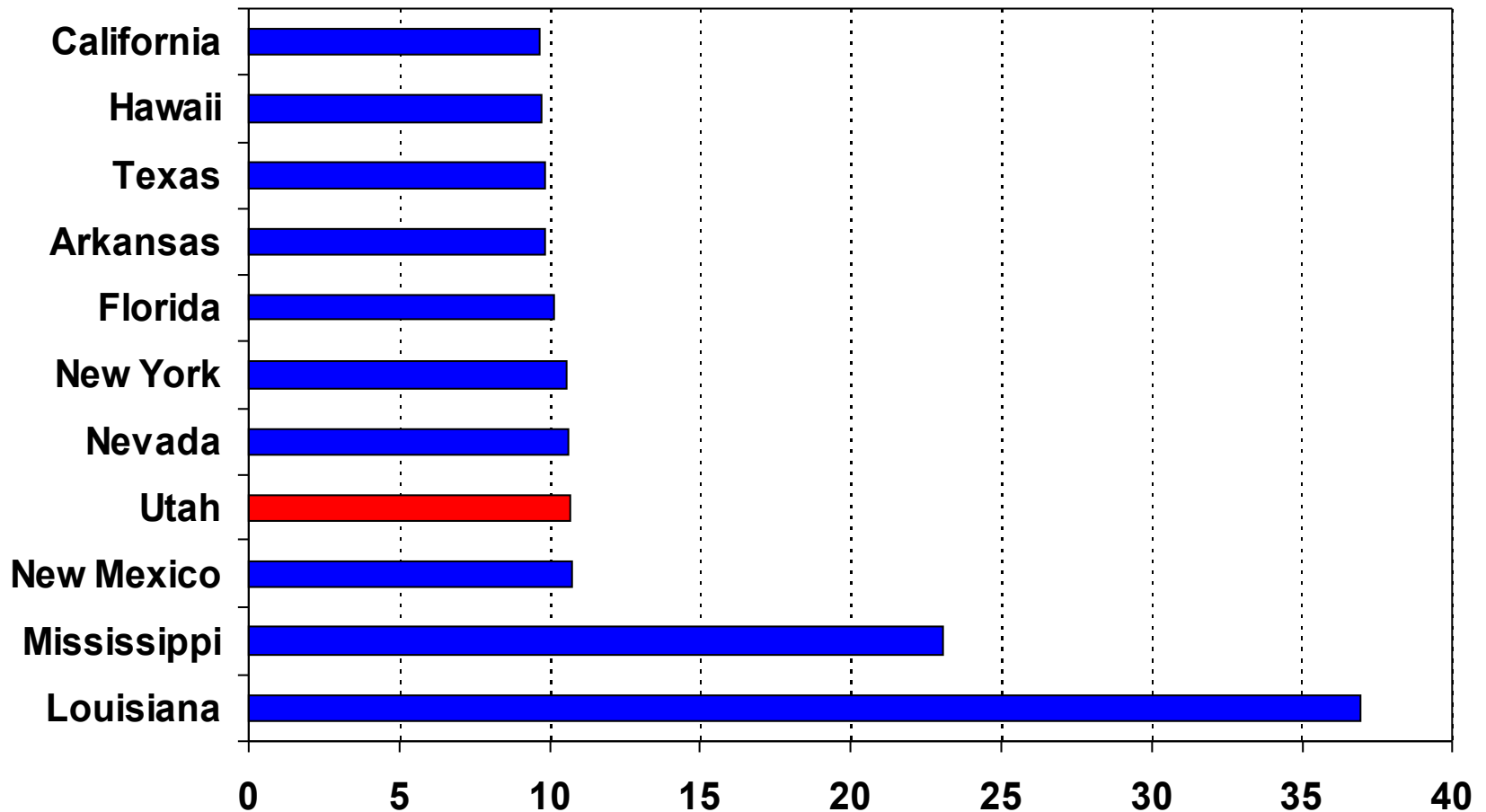
Total Personal Income

Percent Change 2006 - 2007



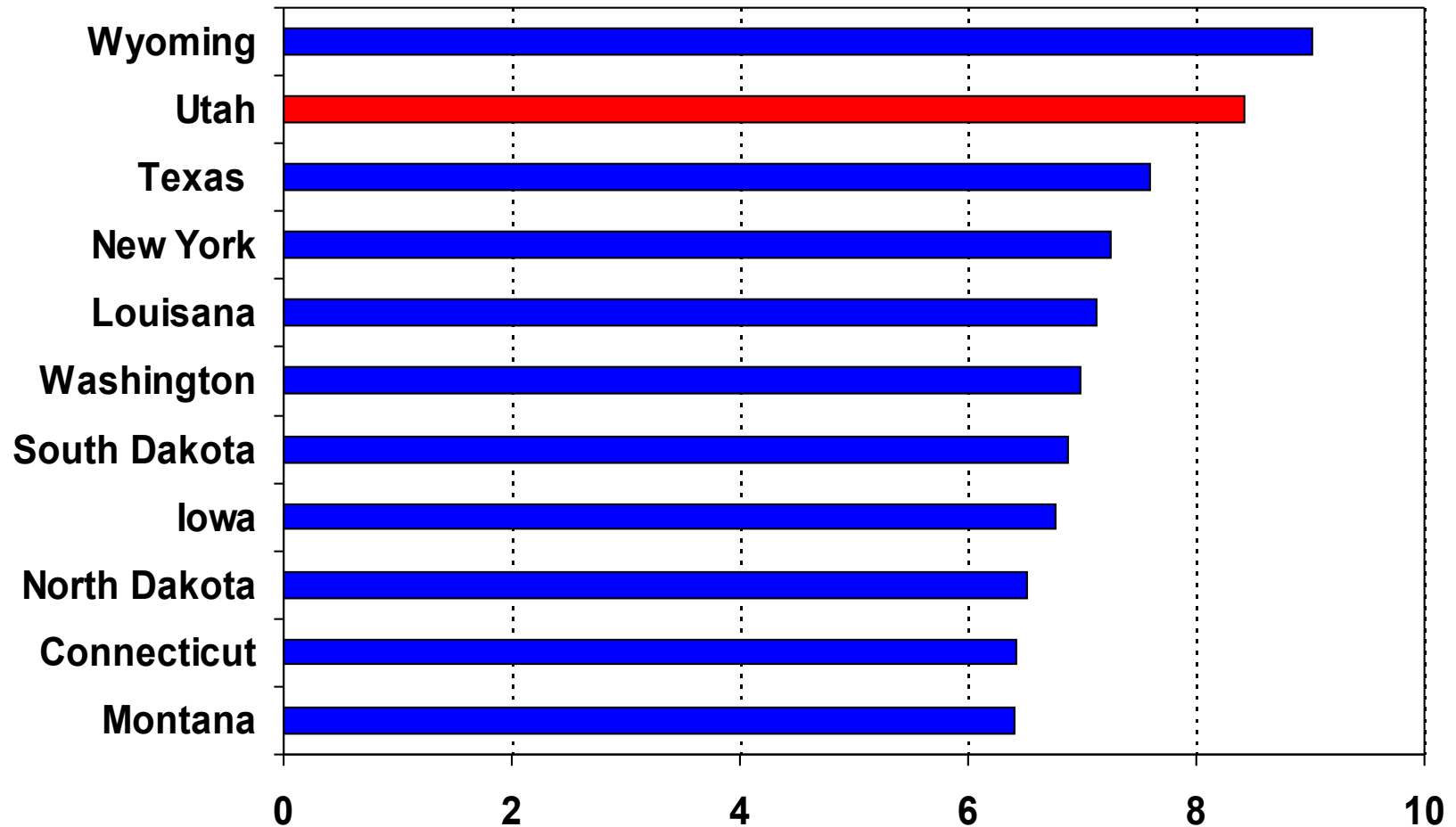
Personal Income from Dividends, Interest, and Rents

Percent Change 2006 - 2007



Net Earnings

Percent Change in 2006 - 2007



Net earnings is earnings by place of work--the sum of wage and salary disbursements, supplements to wages and salaries, and proprietors income --less contributions for government social insurance plus an adjustment to convert earnings by place of work to a place-of-residence basis

Presentation Outline

- Population
- Employment
- Personal Income
- **Housing**
- Construction Permits
- GDP
- Revenues

Housing Markets

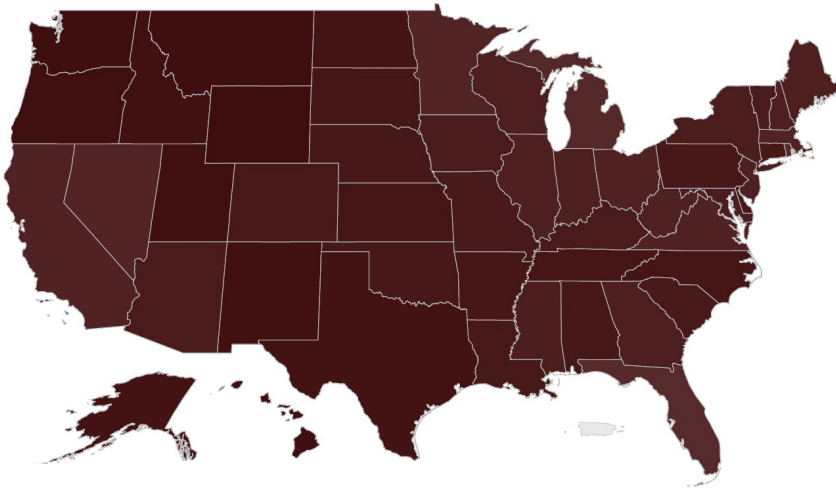
Mortgage Loans

- Mortgage loan classifications
 - Prime / A-Paper
 - Alt-A
 - Sub-prime
 - Government (FHA, VA)

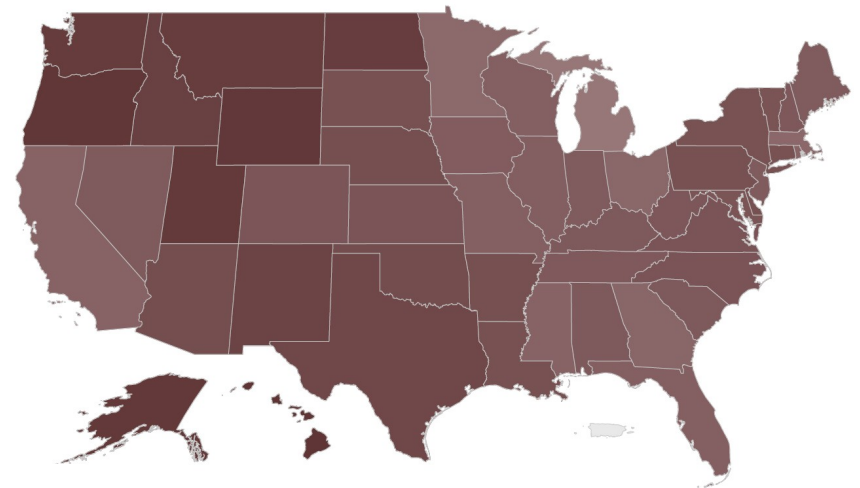
Housing Markets

Loans Paid Current

Alt-A



Sub-Prime

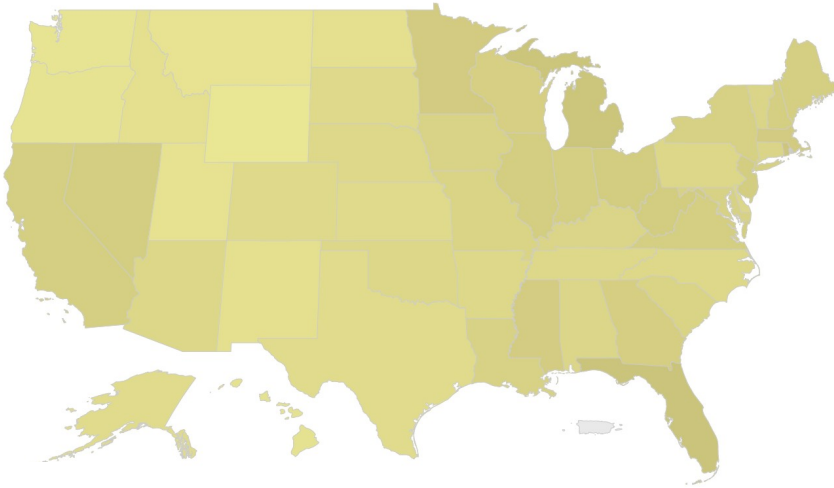


Darker purple = more loans paid current

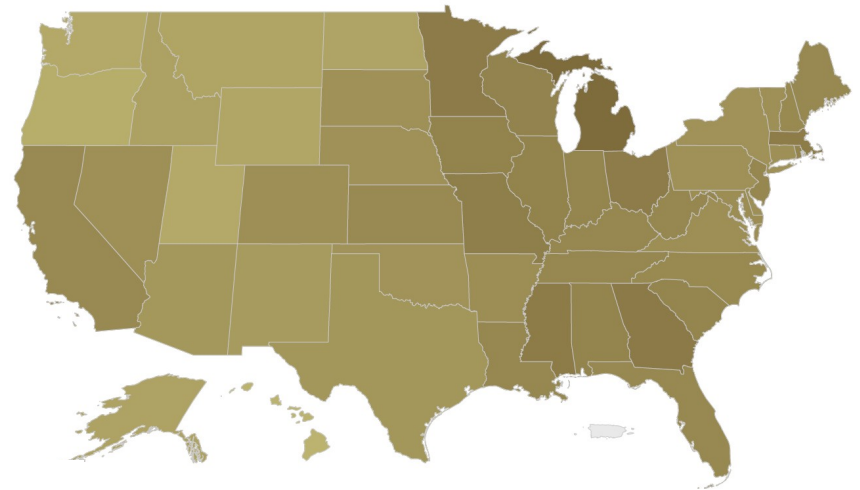
Housing Markets

Delinquent Loans

Alt-A



Sub-Prime

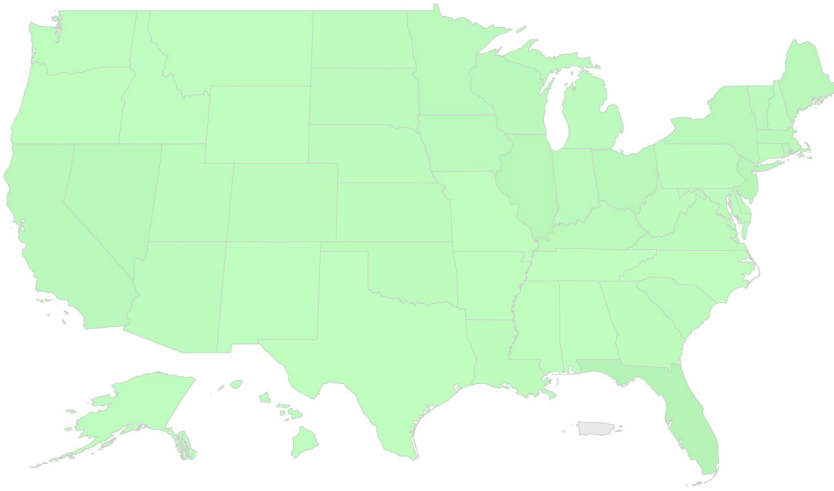


Darker brown = more delinquencies

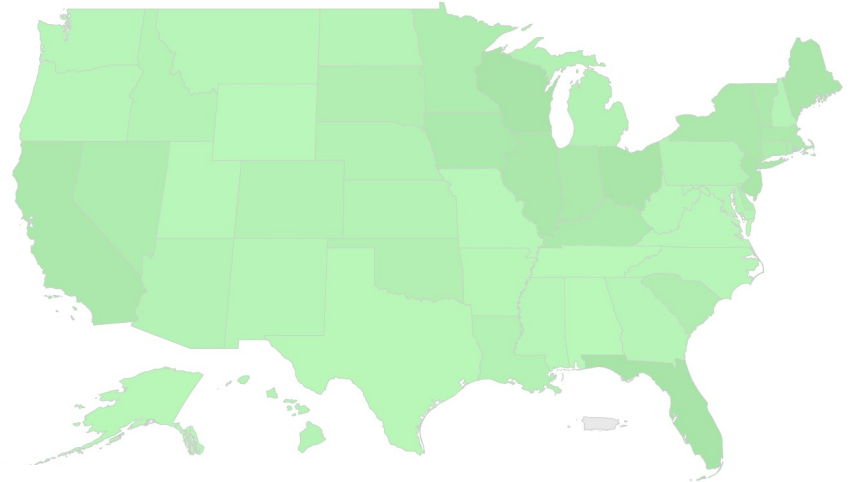
Housing Markets

Loans in Foreclosure

Alt-A



Sub-Prime

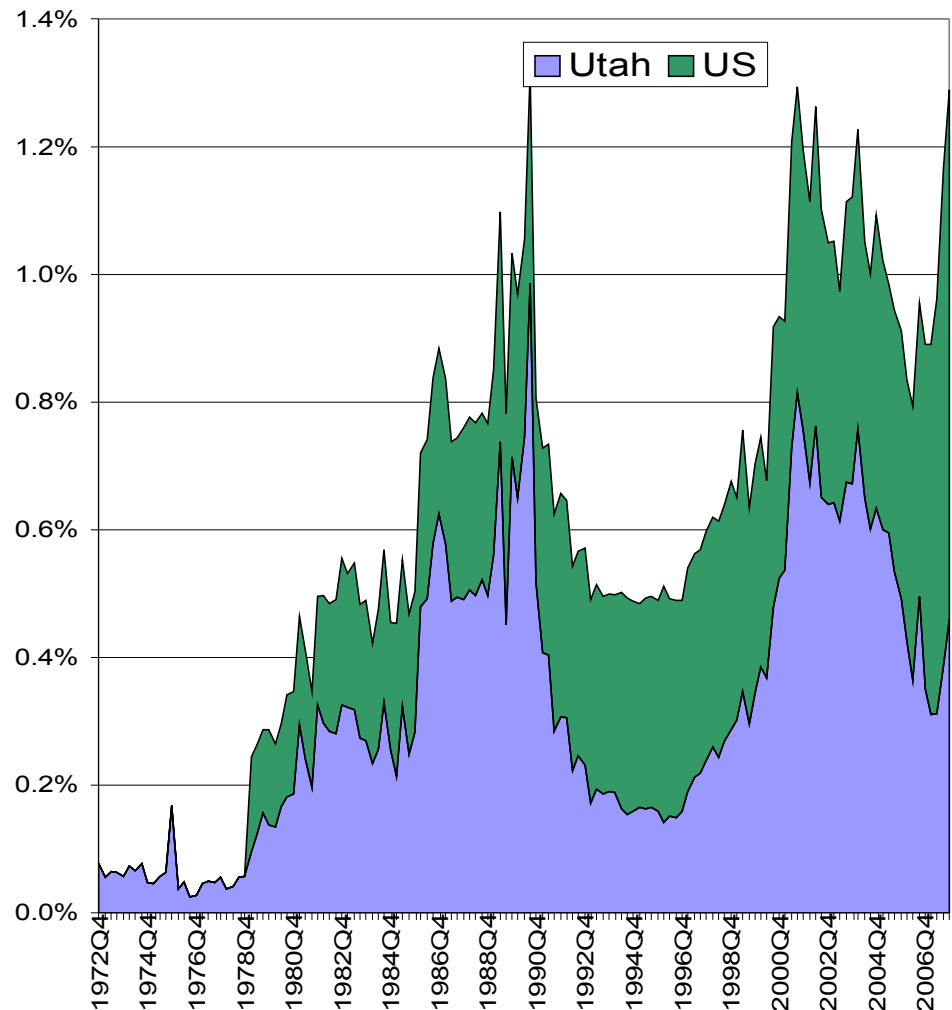


Darker green = more loans in foreclosure

Housing Markets

Foreclosures

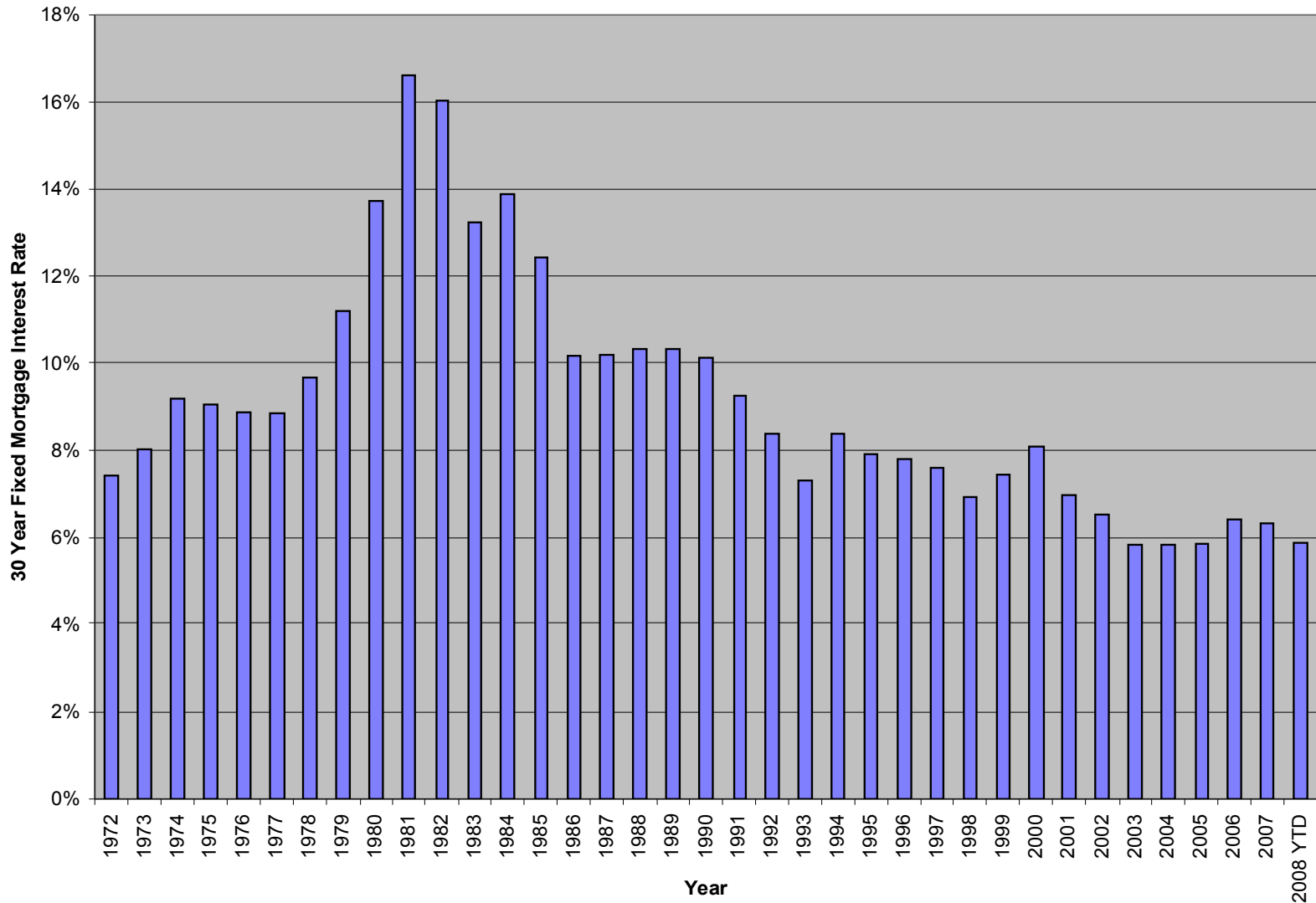
- Foreclosures up in Utah and U.S.
- Utah foreclosure rate lower than US as a whole





Housing Markets

Mortgage Interest Rates (30 Year Fixed)



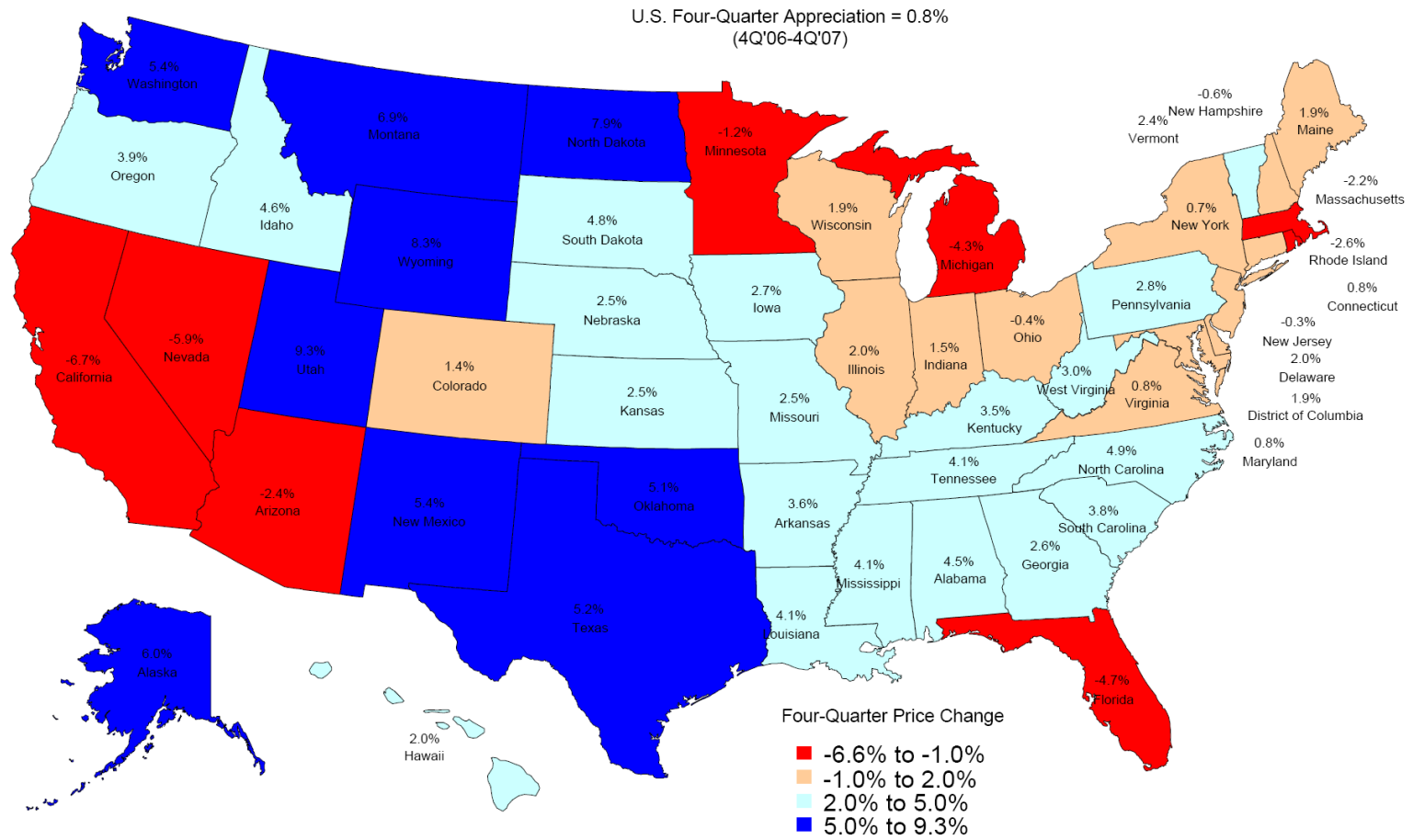
Housing Markets

Change in Home Values

- Utah led the nation in housing price appreciation from 4Q 2006 to 4Q 2007
- Statewide average increase of 9.3%
 - Ogden-Clearfield MSA (10.8%)
 - Provo-Orem MSA (10.5%)
 - Salt Lake City MSA (9.7%)
 - Logan MSA (8.8%)
 - St. George MSA (-1.9%)
- Greatest housing price increases
 - Utah (9.3%)
 - Wyoming (8.3%)
 - North Dakota (7.9%)
 - Montana (6.9%)
 - Alaska (6.0%)
- Greatest housing price decreases
 - California (-6.7%)
 - Nevada (-5.9%)
 - Florida (-4.7%)
 - Michigan (-4.3%)
 - Rhode Island (-2.6%)

Housing Markets

Change in Home Values

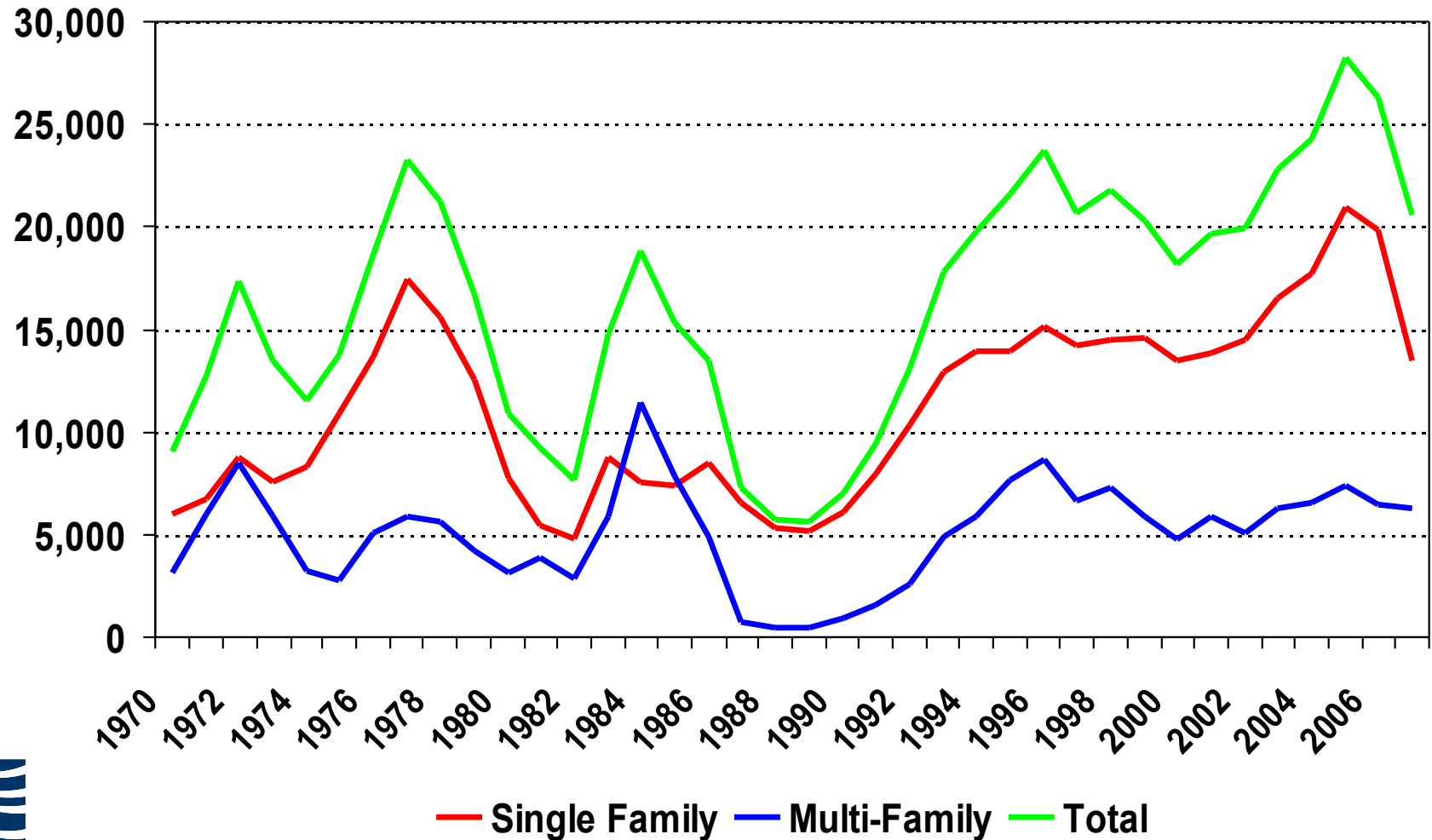


Presentation Outline

- Population
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- Personal Income
- Housing
- **Construction Permits**
- GDP
- Revenues

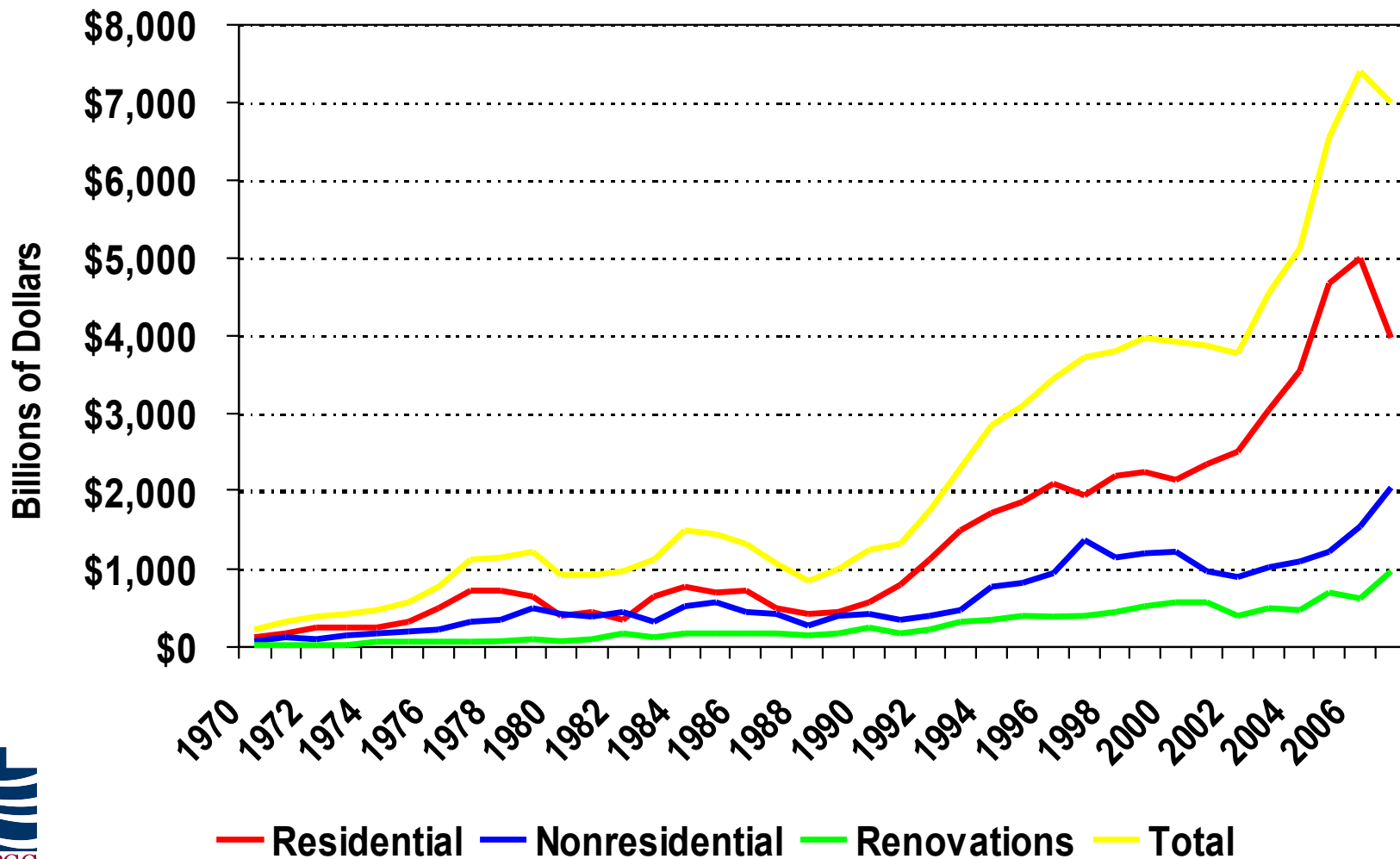
Number of Permit Authorized Residential Units

Single and Multi-Family: 1970 to 2006



Permit Value of New Construction

1970 to 2007

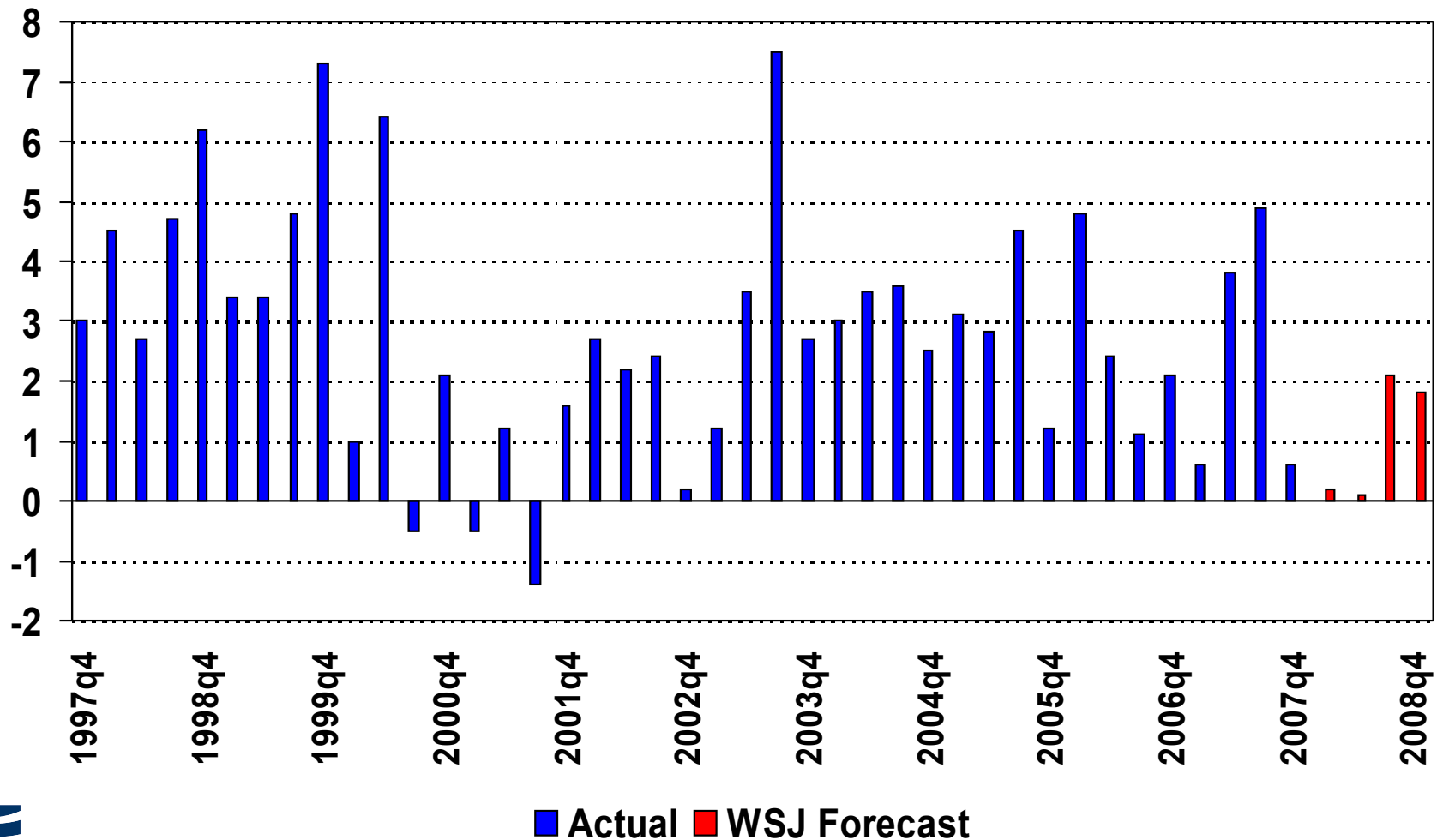


Presentation Outline

- Population
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- **GDP**
- Revenues

Percent Change in Real GDP

1997 to 2008

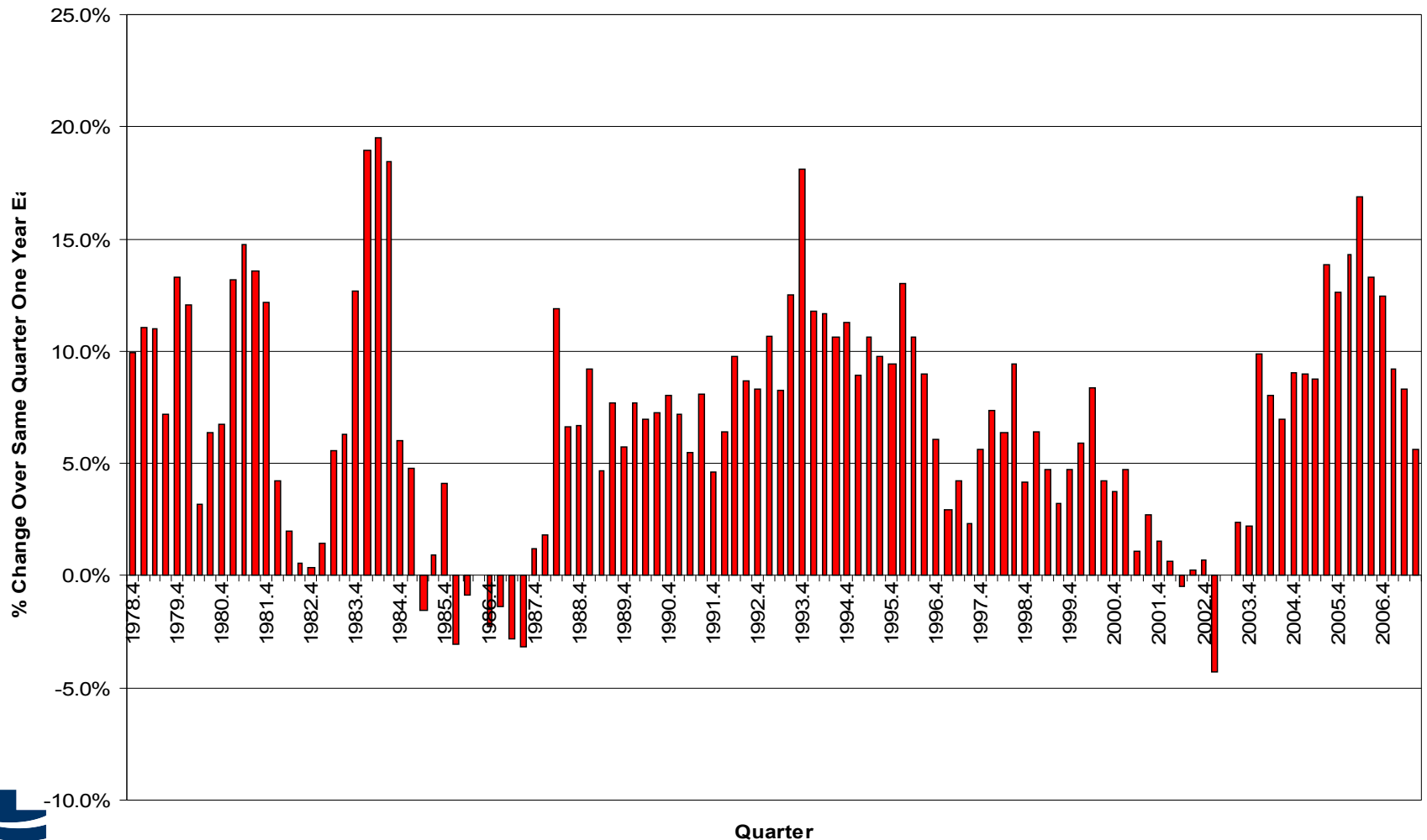


Presentation Outline

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- GDP
- **Revenues**

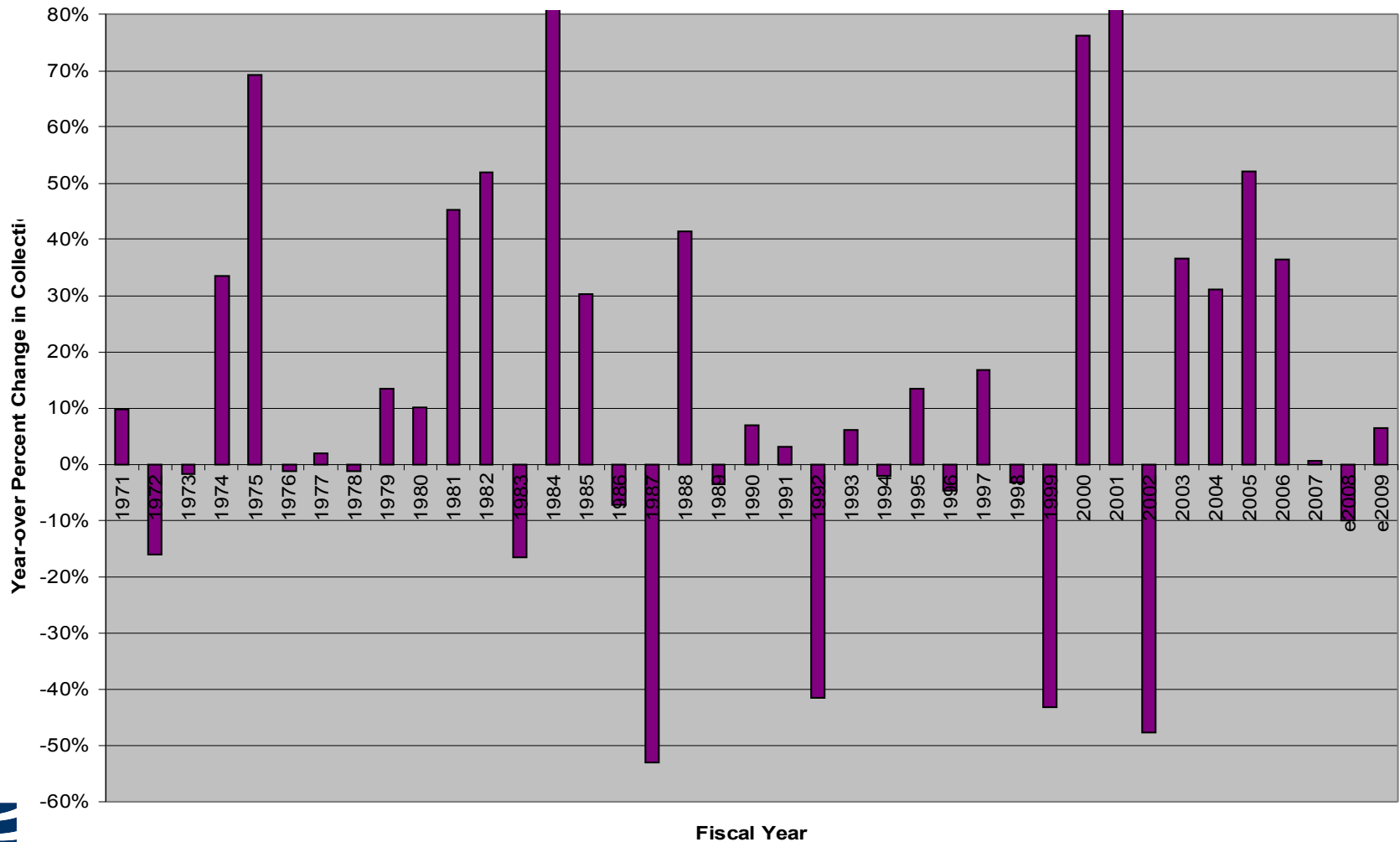
Utah Sales Tax Base

Percent Change in Gross Taxable Sales



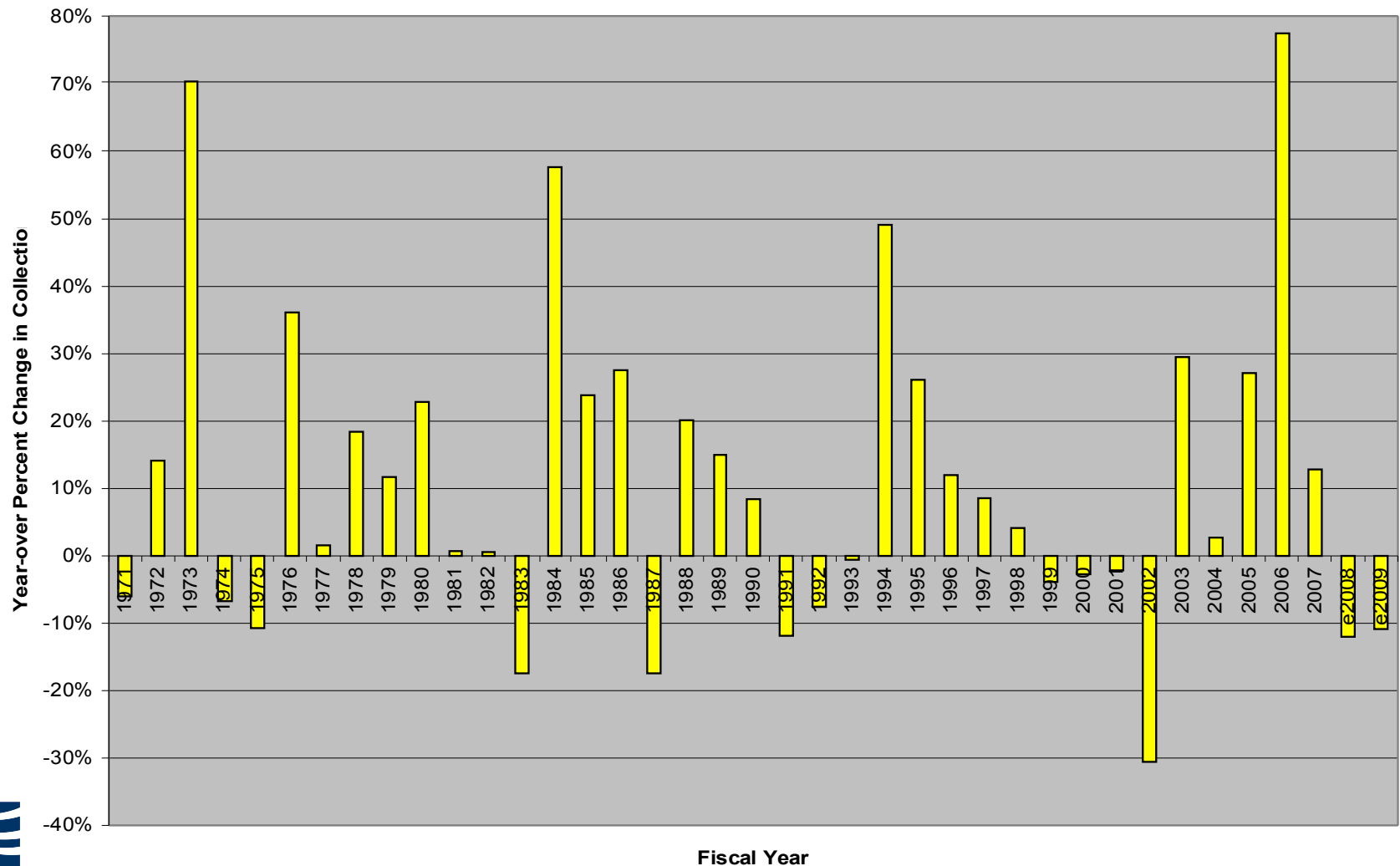
Historic Revenue Collections

Severance Tax



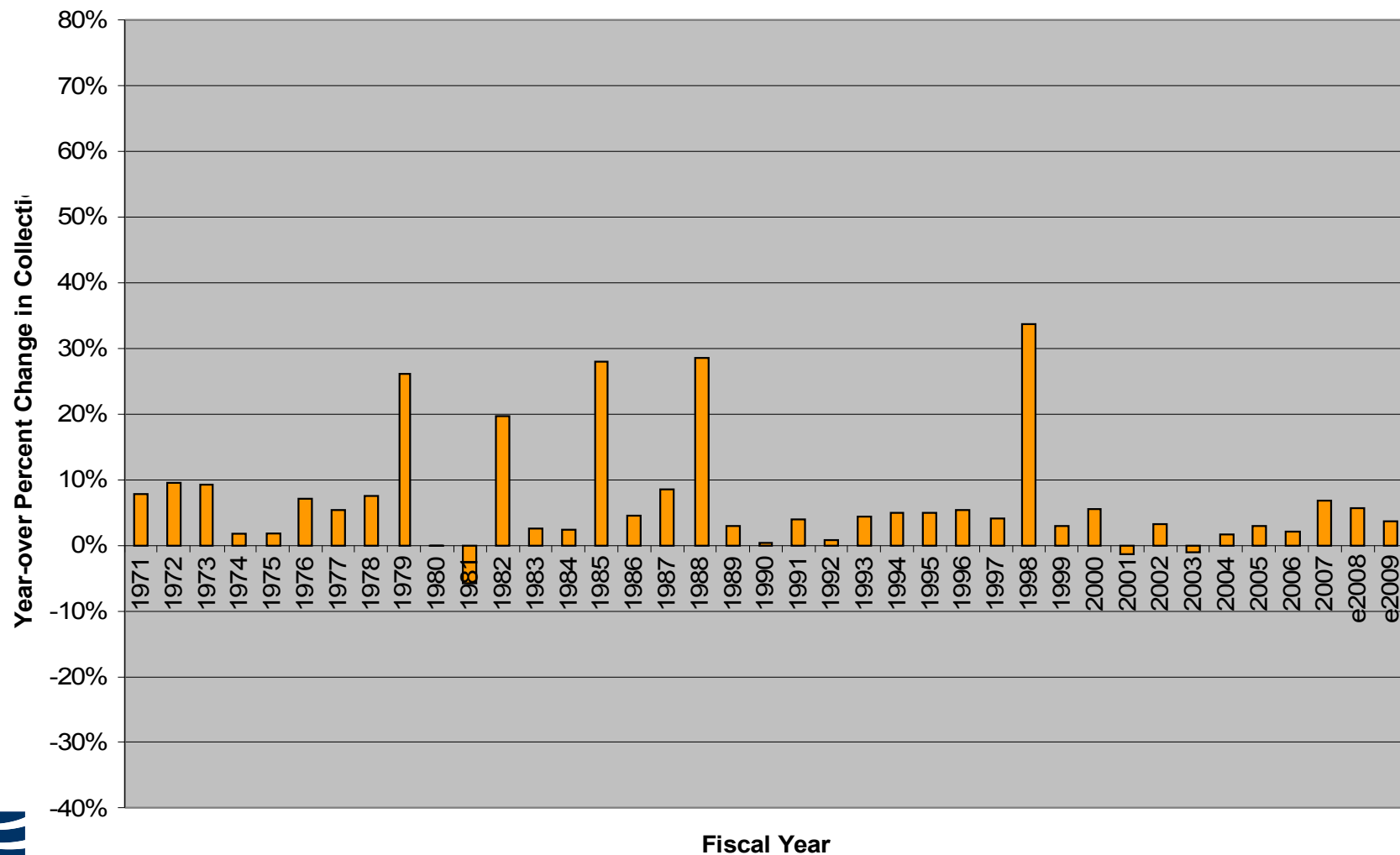
Historic Revenue Collections

Corporate Income Tax



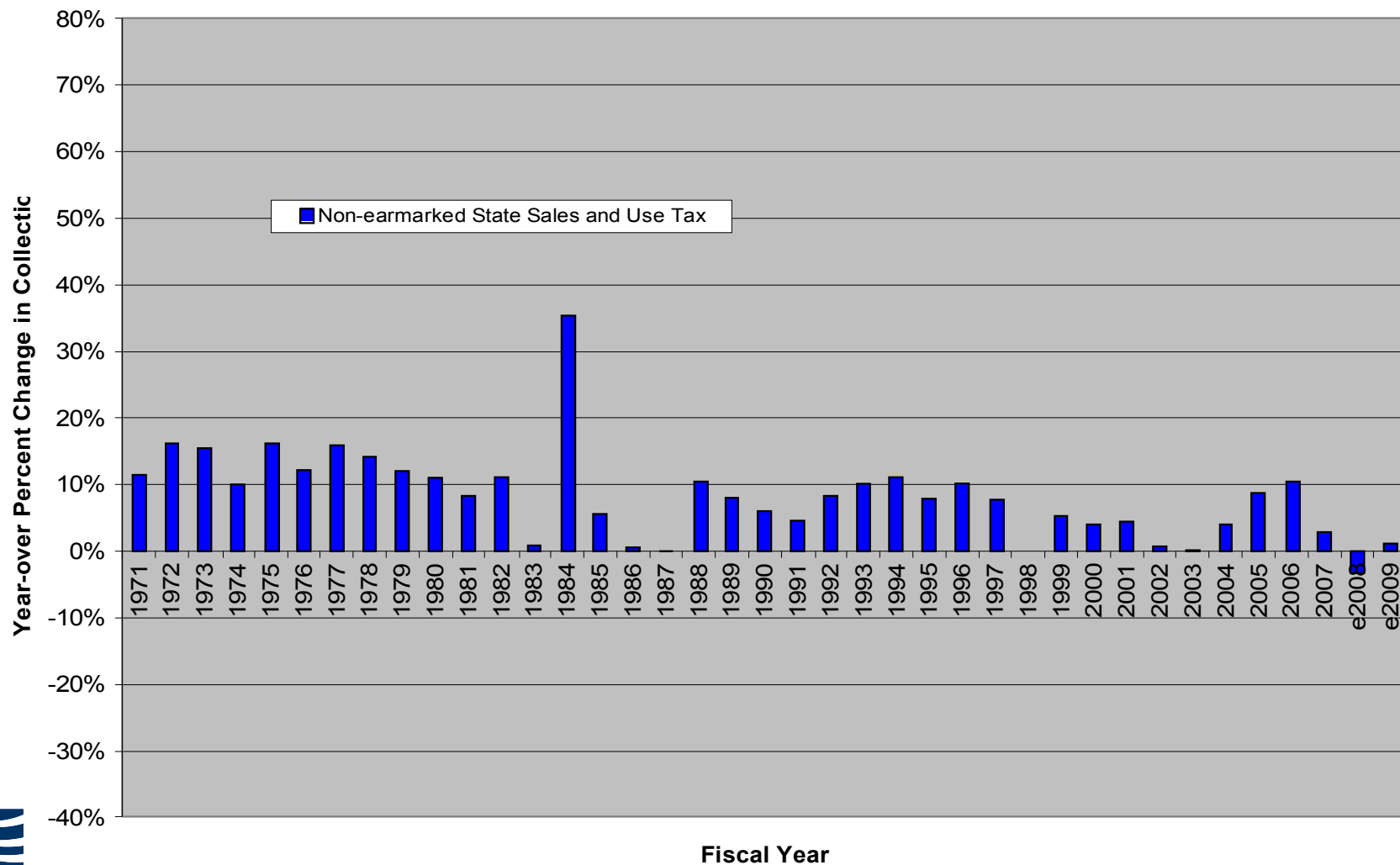
Historic Revenue Collections

Fuel Taxes



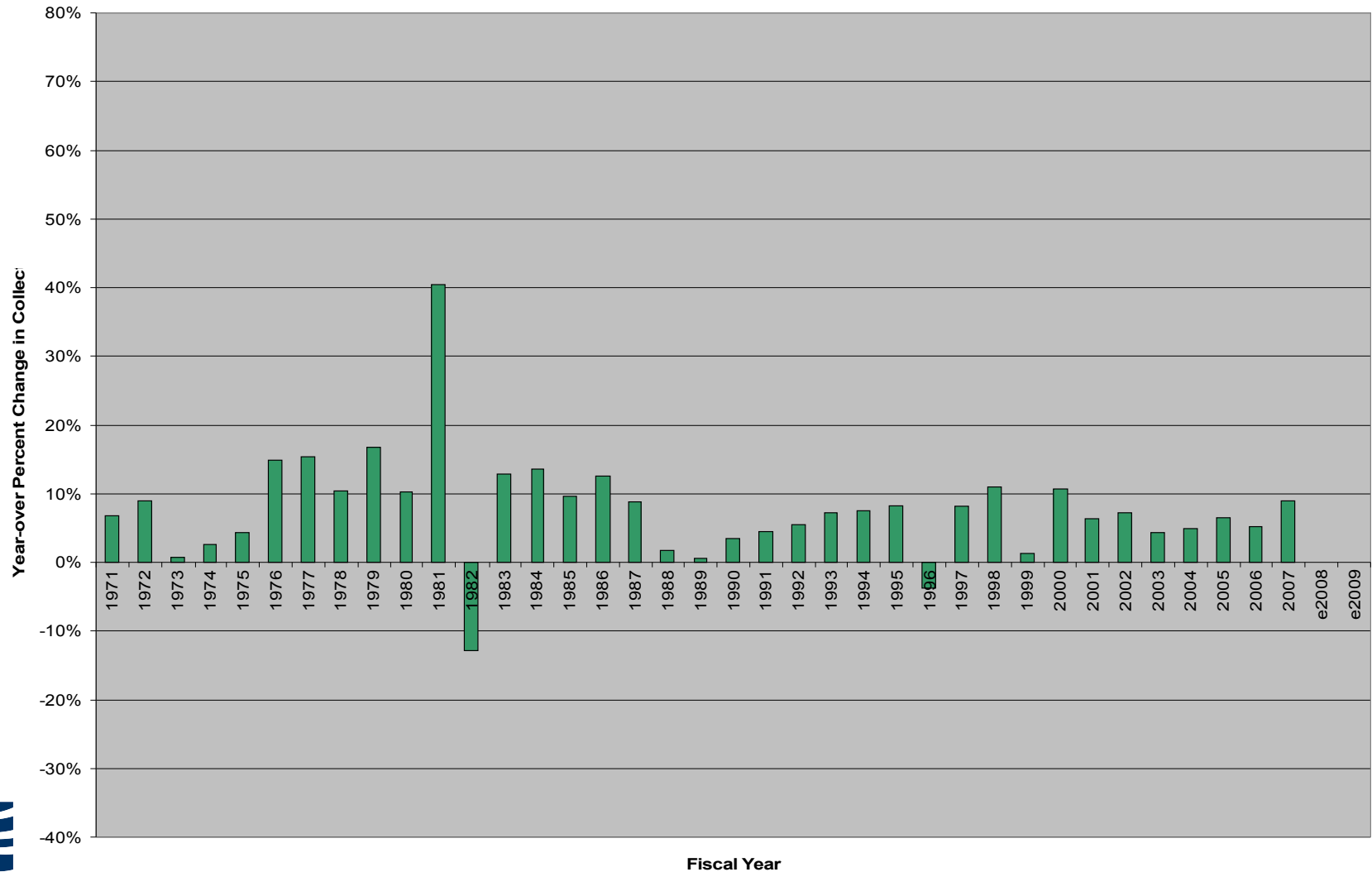
Historic Revenue Collections

Sales Taxes



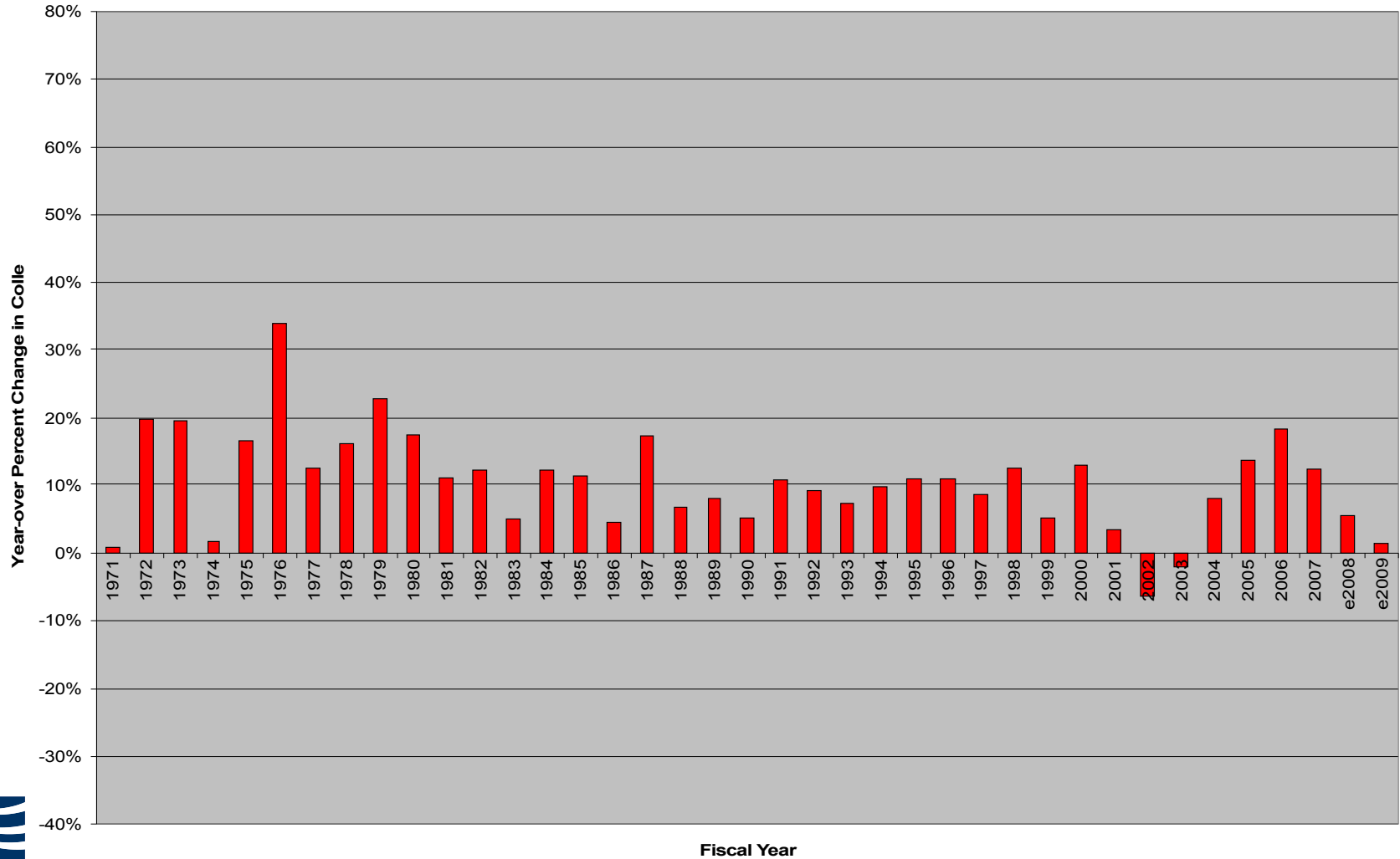
Historic Revenue Collections

Property Taxes



Historic Revenue Collections

Individual Income Taxes



Current Revenue Collections

TC-23

Major Revenue Source	Projected Growth Rate (Full Year)	YTD Growth Rate (Nine Months)
Non-earmarked (GF) sales and use tax	-3.4%	-3.0%
Individual income tax	5.4%	5.6%
Severance taxes	-10.0%	-4.7%
Corporate franchise / income tax	-10.7%	-12.6%
Fuel taxes	5.6%	0.1%

Current Revenue Collections

TC-23

- Why is revenue growth slowing or declining?
 - Tax cuts
 - Earmarks
 - Moderating economy